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Thomas J. Bardin, Jr.
Director

April 15, 2010

Mr. Gary Cannon
Executive Director
S.C. Workers' Compensation Commission
1333 Main Street, Suite 500
Columbia, South Carolina 29202

Dear Mr. Cannon:

We have completed our survey work for the audit of the S.C. Workers' Compensation Commission. We conducted interviews with agency staff, obtained information from interested parties, and have also reviewed data, reports, and other materials. Our audit plan includes the following objectives:

- Review a sample of contested cases to determine: if the agency is ensuring that required forms are filed with the correct information for hearings; what types of benefits are sought by injured workers; the amounts of attorneys' fees requested by claimants' attorneys and approved by the commission; the attorneys' fees of employers; and the general compliance of files with state laws and regulations.
- Compare South Carolina's method of determining disability (including AMA impairment ratings, age, occupation, restrictions of injured worker, etc.) to those of other states.
- Determine the commission's compliance with approving attorney fees and costs. Also, compare attorney fees and costs to those allowed in other states.
- Review a sample of cases which had informal conference settlement agreements to determine if the forms filed were consistent with previous filings, contained the proper information, and the outcomes of those cases
- Review the commission's current process of hearing informal conferences and making award determinations.

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- Obtain agency statistics regarding the administration of workers' compensation claims, including wait time for hearings to be scheduled.
- Examine the commission's efforts to prevent employer workers' compensation fraud.
- Review the commission's current procedures for referring injured workers to S.C. Vocational Rehabilitation. Also determine how or if other states' workers' compensation agencies refer injured workers to their vocational rehabilitation agencies.

We anticipate that we will complete our audit fieldwork by the end of June. A normal progression of our review process should result in publication in early Fall. Please call Marcia Lindsay, Audit Manager, at (803) 253-7612 if you have any comments or questions about the objectives or the audit process. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read 'T. Bardin, Jr.', with a long horizontal flourish extending to the right.

Thomas J. Bardin, Jr.
Director

/mrw